

AFS licence application: Template for details of professional indemnity insurance

This template is for applicants that are applying for an Australian financial services (AFS) licence or varying their existing AFS licence. If we decide ‘in-principle’ to offer you a draft licence, we will ask you to provide a copy of your certificate of currency and to complete this questionnaire.

For more information on compensation and insurance arrangements, see Regulatory Guide 1 *Applying for and varying an AFS licence*, paragraphs 1.236 to 1.248.

Details of professional indemnity insurance

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| **1** | Name of insurer | Blank cell. |
| **2** | Period of policy | From: *DD/MM/YYYY*  To: *DD/MM/YYYY* |
| **3** | What best describes the coverage of this policy? | Individual cover Group cover |
| **4** | Amount of cover | $ |
| **5** | Will this amount of cover be reduced by your costs in defending a claim? | Yes No |
| **6** | Estimated total gross revenue of your business for the next financial year? | $ |
| **7** | How many reinstatements are allowed? | Blank cell. |
| **8** | Amount of excess/deductible | $ |
| **9** | Is the excess/deductible at a level that you can confidently sustain as an uninsured loss? | Yes No |
| **10** | Are all of the financial services and products that you wish to offer under an AFS Licence covered by this policy? | Yes No |
| **11** | Does this policy cover breaches of Ch 7 of the Corporations Act (for example statutory breaches, breach of duty, or civil liability) by both the licensee and its representatives? | Yes No |
| **12** | Does this policy cover external dispute resolution (EDR) scheme awards?  If you answer ‘No’, please proceed to complete the remainder of the questionnaire. | Yes No |
| **12.1** | Does the policy have an EDR scheme indemnity sub-limit? | Yes No |
| **12.2** | Does the policy have an aggregation clause on EDR scheme claims? | Yes No |
| **Note:** | If you answer yes to either 12.1 or 12.2, ASIC may seek to examine the terms of your Professional Indemnity policy.  If you answer 'yes' to both 12.1 and 12.2, ASIC may not consider your policy adequate. | Blank cell. |
| **13** | Does this policy cover fraud of representatives, employees and agents? | Yes No |
| **14** | Does this policy have retroactive cover? | Yes  If yes, provide date: *DD/MM/YYYY*  No |
| **15** | Does this policy have any of the following exclusions: | Respond at questions 15.1–15.5. |
| **15.1** | External dispute resolution scheme awards? | Yes No |
| **15.2** | Loss caused by the conduct of representatives generally? | Yes No |
| **15.3** | Fraud and dishonesty by agents and representatives? | Yes No |
| **15.4** | Claims arising from incidents that have been notified to ASIC? | Yes No |
| **15.5** | Claims arising from or attributable to any actual or alleged co-mingling of funds by the insured or any inability or failure of the insured to pay, collect, safeguard or account for client funds? | Yes No |
| **16** | Will you require any financial resources, in addition to your professional indemnity insurance, to satisfy your obligation under s912B? | Yes No |